

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 12/18/63	INVESTIGATIVE PERIOD 10/15/63 - 12/10/63
TITLE OF CASE LOUIS O ARGER, aka		REPORT MADE BY [Redacted]	TYPED BY JMB
		CHARACTER OF CASE AR	

Bcc

REFERENCES: Report of SA [Redacted] dated 10/25/63 at Chicago.
Springfield letter to Chicago dated 11/13/63.

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ENCLOSURES

TO BUREAU

Two (2) copies of a letterhead memorandum which sets forth the characterization of informants utilized in this report.

LEADCHICAGO

AT CHICAGO, ILLINOIS. Will continue to conduct and report investigation concerning the activities and associates of the subject.

APPROVED <i>J. H. [Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:		92-5794-15 REC-41	
(3) - Bureau (92-5794) [Redacted] → 1 - USA, Chicago 2 - Chicago (92-1039)		DEC 23 1963	
DISSEMINATION RECORD OF ATTACHED REPORT			
AGENCY.....	1cc	Dept	1-2-64
REQUEST RECD.	1cc	DPO	
DATE FWD.			
HOW FWD.			
BY.			
NOTATIONS			
<i>NOV 20 1964 SA M. [Signature]</i>			

64 JAN 3 1964
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CG 92-1039

INFORMANTS

Referral/Consult

EOUSA

CG T-2 is [redacted] Investigator, Immigration and Naturalization Service, Chicago, contacted by SA [redacted] on December 4, 1963.

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CG T-3 is PCI [redacted] contacted by SA THOMAS W. PARRISH on November 1, 1963.

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CG T-4 is [redacted]
[redacted] contacted by SAs [redacted]
[redacted] on November 21, 1963, (upon request).

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CG T-5 is [redacted]
[redacted] contacted by SAs [redacted] on November 25, 1963.

CG T-6 is PCI [redacted] contacted by SAs [redacted]
and [redacted] on December 9 and 10, 1963.

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CG T-7 is CG 6576-C*.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [redacted]
Date: 12/18/63

Office: Chicago, Illinois b6 b7C

Field Office File No.: 92-1039

Bureau File No.: 92-5794

Title: LOUIS ARGER

Character: ANTI-RACKETEERING

Synopsis:

ARGER still resides at 6128 North Keating Avenue, Chicago, Illinois. ARGER's citizenship status under question by INS since he is reported to have concealed an arrest when applying for naturalization in 1939. Star and Garter Show Lounge allegedly owned by ARGERT was raided by Chicago Police authorities on 11/12/63 on charge of solicitation by one of the female employees. ARGERT is reported to have made about \$22,500 in 1962 from the operation of his Paradise Arcade, Chicago. Holding of films and projectors seized by police authorities in raid from arcade operators until disposition of these cases in court is reported to be a heavy financial loss to ARGERT and other operators in the curtailed operation of their arcades.

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DETAILS:

I. BACKGROUND

Residence

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On December 9, 1963, a surveillance was conducted by SAs [redacted] and [redacted] at 6128 North Keating Avenue, Chicago, Illinois, at which time it was determined by the Agents that ARGERS and his family still reside at that address.

Citizenship Status

CG T-2 advised that he had received information at the Immigration and Naturalization Service (INS) that they are currently investigating the citizenship status of subject since it was determined by INS that ARGERS concealed an arrest on a robbery charge by the Chicago Police Department, Chicago, on June 22, 1928, when making application for citizenship on June 8, 1939. CG T-2 stated that it was his understanding that the subject was given twelve months probation when he pleaded guilty to the charge of robbery in 1928. CG T-2 stated that if the above can be proved or admitted by ARGERS, the concealment of the arrest would be a definite basis for revocation of his citizenship.

II. ASSOCIATES

CG T-7 advised in the middle of November, 1963, that [redacted] of one of the penny arcades on South State Street, Chicago, was a very close friend of the subject. CG T-7 stated that ARGER himself is the owner of the Paradise Arcade and as such has business dealings with [redacted].

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CG T-7 advised that he had received information that the subject is a very close friend of [redacted] who [redacted] the Crossroads Restaurant on Van Dyke.

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Euren and State Street, Chicago. CG T-7 stated that ARGED is in contact with [redacted] at the Crossroads Restaurant on an almost daily basis and usually uses the premises of the Crossroads Restaurant to make any necessary telephone calls.

III. ACTIVITIES

Captain [redacted] Commander, 1st District, Chicago Police Department, Chicago, advised SAs [redacted] and [redacted] on November 19, 1963, that two of his officers from the 1st District conducted a raid on the Star and Garter Show Lounge on South State Street on the night of November 12-13, 1963. [redacted] advised that the officers were solicited for prostitution in the club by one of the female entertainers. In addition to the one entertainer being placed under arrest six others were also arrested for being inmates of a disorderly house.

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Robbery [redacted] Detective, Area 1, Chicago Police Department, advised SAs [redacted] and [redacted] on October 30, 1963, that there is no question in his mind that LOUIS ARGED is the actual owner of the Star and Garter Show Lounge as well as the Holiday Show Lounge and merely has other people fronting for him in the operation of these strip joints. [redacted] stated that in his opinion ARGED is controlled by SAM GIANCANA and that a portion of the profits of ARGED's two strip lounges are turned over to GIANCANA's lieutenants namely GUS ALEX and FRANK FERARRO. [redacted] stated that in his opinion other "outfit strip joints" are the Cabana Club, Chez Dot, The 606 Club, Eddie Foy's, Crossroads Restaurant and the Show Boat Lounge. He stated that there is no question that in order to operate any of these strip joints the owner has to have both political and police protection. It is his understanding that most of the strip joints are again running wide open with only occasional raids by the police authorities. [redacted]

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stated that it was his opinion that JOHN D'ARCO, former 1st Ward Alderman, is the "political clout" for ARGEE and other strip joint operators.

Regarding the daily habits of ARGEE, [redacted] stated that ARGEE usually arrives in the loop area about 3:30 p.m. and stops at the Paradise Arcade and the Cross-roads Restaurant and stays around this area until about 6:00 p.m. when he returns to his residence at 6128 North Keating where he remains until about midnight. ARGEE then returns to the strip joint operations on South State Street where he stays for a few hours before returning home for the evening. [redacted] stated that in the past conversations with ARGEE, ARGEE has mentioned to him that the "G's" are all over South State Street watching the operations of strip joints. [redacted] also stated that ARGEE becomes incensed when he reads in the news-papers that he, ARGEE, is a cousin of GUS ALEX. ARGEE denies that he is any relative of ALEX.

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CG T-3 advised that he had received information that ARGEE was extremely upset over the recent raids by the State Attorney's Office on the penny arcades on South State Street. ARGEE's Paradise Arcade was the subject of part of this raid at which time numerous rolls of parisian movies and projectors to show these movies were confiscated by the State Attorney's Police. Both the movies and the projectors are being retained by the State Attorney's Police until disposition against the arcade owners. CG T-3 advised that ARGEE was recently upset when a photograph of himself appeared in the "Chicago Tribune." CG T-3 also advised that he was of the opinion that the strippers that work in ARGEE's strip joints were afraid to make any complaints to the American Guild of Variety Artists, union which most of the female entertainers in Chicago are members, for fear repercussions from ARGEE if this information got back to him.

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CG T-3 advised that he had received information
that among some of the [redacted] who were

[redacted]
are [redacted] It was deter-
mined that [redacted] legal name [redacted] formerly
resided at [redacted] and inquiry at
that address disclosed that she had moved back to [redacted]
about the first of October, 1963, and was not planning to
return to the Chicago area.

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[redacted]
[redacted] advised SA [redacted] on November 14, 1963, that she has been
[redacted] for the past several

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years ever since she came to this [redacted]

She stated that she is not presently [redacted]

[redacted] and that her legal name is [redacted]

When questioned as to the details of her employment at
the [redacted] she refused to comment on any aspect
of her work or her personal life or her associates and
referred the interviewing Agents to her attorney [redacted]

[redacted] It is to be noted that [redacted] has defended
numerous Chicago hoodlums in the past.

[redacted]
[redacted] legal name [redacted] home telephone
number [redacted] was contacted at her residence on
November 15, 1963, by SAs [redacted] at which time
she refused to discuss any matters with the interviewing
Agents.

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CG T-4 advised that she was a [redacted]

[redacted]
[redacted] She was told to advise anyone who inquired
[redacted] CG T-4 stated that, however,

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she had heard that LOUIS ARGEE was the actual owner of the Holiday Show Lounge and [redacted] of ARGEE, was a [redacted] at the Holiday Show Lounge. CG T-4 stated that all of the girls employed at the Holiday are encouraged to use the back booths when soliciting drinks from customers and to "mix rough" when told to do so. CG T-4 stated that [redacted] is considered the "roughest mixer" at the Holiday and as such she makes about \$200 per night or approximately \$1000 per week.

CG T-5 advised that she was employed as [redacted] b6 [redacted] but had an argument b7C with [redacted] as b7D a result quit her employment there. CG T-5 stated that [redacted] is also a [redacted] at the Holiday Show Lounge but that she had heard that LOUIS ARGEE was the actual owner of the Holiday Show Lounge. CG T-5 stated that [redacted] and makes the most money on commission from soliciting drinks from the customers at the lounge.

CG T-6 advised that she received information that the Holiday Show Lounge will close on the 15th of December for about two weeks until after Christmas. CG T-6 advised that it is customary that during the Christmas season many of the strip joints are compelled to close down for a two week period in observance of the Christmas season. CG T-6 stated that most of the girls from Holiday Show Lounge work at the Star and Garter Lounge while the Holiday is closed down.

CG T-7 advised that he had received information that LOUIS ARGEE and other strip joint operators have police protection in the operation of their strip joints. CG T-7 stated that only occasional token raids are made and that generally the clubs are operating on a wide open basis without police interference.

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A check of the records of the Auto Registration Section and the Driver's License Section, Secretary of State Office, Springfield, Illinois, by IC JOSEPH D. HAMMITT, on November 7, 1963, failed to disclose any auto registration or driver's license issued to [REDACTED]

[REDACTED] GEORGE ARGER, [REDACTED]

It is to be noted that the above named persons including their aliases are persons who are employed at ARGER's Star and Garter and Holiday Show Lounge.

CG T-7 advised that he had received information that PAT MARCY had been attempting to secure a rapid disposition of the arcade cases still pending in court so that the owners of these arcades can get their films and projectors back.

CG T-7 advised that LOUIS ARGER and [REDACTED] arcade operators, are suffering heavy financial losses, as a result of their parisian movie and projectors being tied up in the pending court action against them. CG T-7 stated that the movies shown in the arcades are the prime source of revenue and that if there are no films available at the arcades the cliental spends very little time on the premises.

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LOUIS ARGER was interviewed at State and Congress Streets, on November 25, 1963, by SAs COOK and WILLIAM R. BRODERICK in connection with any knowledge he may have regarding JACK RUBY, strip operator in Dallas, Texas, and assassin of LEE HARVEY OSWALD. ARGER claimed that he did not know RUBY or anything about his activities or associations while residing in Chicago or since RUBY has moved to Dallas, Texas. ARGER refused to comment on anything regarding his activities in the operation of any strip joints on South State Street, Chicago, or anyting else concerning his activities.

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Referral/Consult EOUSA

